

Defense Logistics Agency



Supply Discrepancy Reporting Continuous Process Improvement Update April 29, 2009



Background

- **SDR Process Review April 2008:**
 - Identified gaps in the SDR process
 - Initiated Corrective Actions
 - Value Stream Mapping with Team
 - Lean Six Sigma Process To Work Through Issues
- **SDR Enterprise Team:**
 - Representatives from the Services
 - Defense Distribution Center
 - Defense Supply Centers
 - DLMSO
 - Master Black Belt (Visionary Lean Logistics)



Lean Process Focus Areas

- Overall SDR Process Focus Areas:
 - Routing
 - Customers ability to override shipping activity on SDR
 - Financial documentation not available in EBS or DSS
 - Response
 - Customer gets multiple responses on SDRs
 - Correct reply codes sent to customer
 - Finance
 - Generating debit/credit memo vs. reversing and rebilling
 - Review Issue/Reverse process for Air Force and Navy
 - Other
 - Training for SDR processers
 - Customers fax, and mail SDRs in lieu of using WebSDR



Process Improvements

Policy & Instructions	Requirement	Improvement
Internal DLA Thirty Day SDR Processing	HQ DLA to reinstate internal DLA timeframe for processing SDR	Depots required to work SDRs within 30 days to reduce customer wait time
SDR Workload Prioritization Structure	Establish priority structure for processing SDRs at DDC and DSC	Instructs DDC and DSC on how to prioritize SDR workload
Notification for Reporting Mis-shipments	Provide notification of reporting mis-shipments within 2hours of discovery	Requires field activities to notify DLA of mis shipment within 2 hours of discovery - follow up with official SITREP
Revision of Time Standards for Reporting and Processing SDRs Per ADC 293	Time frames for processing SDRs reduced from 55 days to 30 days	Changed SDR processing timeframes from 55 days to 30 days/25 days for CIIC
Dollar Value Threshold Limits for Processing Credit dollar value limits for RS processing credit/debit memorandums	Provides dollars value limits for R/S	Established dollar value limits for RS by grade processing credit/debit memorandums



Process Improvements

Procedures	Requirement	Improvement
Return of wrong item shipments	Requires return of all wrong items reported via SDR	Prevents disposal of classified material
Reporting SDR metrics	Requires DDC and DSC to report SDR metrics to DLA, monthly and quarterly	Allows DLA to identify trends, establish dollar values of SDRs, provide corrective actions to prevent recurrence of discrepancies, and improve response time
Quality Notification Tip (QN Tip)	Notification of SDR processing or procedure concerns	Provides formal notification or alert of procedure changes, process modifications to RS
Periodic Process Inspection	Review of SDR processors knowledge of policy, procedures techniques used when working SDRs	Provides opportunity to review functional SDR processors to ensure adherence and compliance with prescribed SDR processing procedures and regulations, use of WebSDR, EBS, and DSS
Supporting Documentation for Wrong Items SDRs	Customers to provide supporting documentation and photo of wrong item received via WebSDR	Prevent disposal of classified items. Provides information for research and inventory verification
Lean Six Sigma Continuous Process Improvements	Improve the SDR process using Lean Six Sigma	Process Improvement and Implementation of Controlled Inventory Processing Team Disposition Instruction Decision Matrix



Way Ahead

Objective:

Bring SDR process in compliance with DOD established timeline

CPI process gaps down from 62 to 29 items:

- Developed training aids for resolution specialist
- System Change Request to track sales due in for wrong items
- Monitoring specific SDRs through the end to end process cycle
- GEMBA: Tracking processing of 12 SDRs at Supply and Distribution Centers to capture actual time

Way Ahead:

Enterprise Team Face to Face Meeting April 2009:

- Conduct Rapid Improvement Event Actions on:
 - Process Gap # 2: Establish Clear Guidance on closing SDRs